SAMBURU AID IN AFRICA
P O BOX 741 – 10400
NANYUKI KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ending 31st December 2017

Muriithi Kingori & Associates,
Certified Public Accountants (K),
P.O Box 1494 – 10400 Nanyuki,
MBL 0712 397212
E Mail:mmk@muriithikingori.co.ke
Website: www.muriithikingori.co.ke

SAMBURU AID IN AFRICA

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST DECEMBER 2017

DIRECTOR'S REPORT FOR YEAR ENDED 31ST DECEMBER 2017

The directors submit their report together with the audited financial statements for the year ended 31st December 2017, which show the state of the Organization's affairs.

1. **PRINCIPAL ACTIVITIES**
   The organizations main objective of the organization shall be to promote improved livelihood among pastoral communities in Samburu County
2. **RESULTS FOR THE YEAR**
   The results for the year are as set out on pages 6-14
3. **BOARD OF DIRECTORS**

   Members of the board of directors who served during the year were

Sammy Lenyanyukie	Chairman
Maryanne Ropian	Secretary
Jane Kiama	Ag/Director/Treasurer
Dr Kate Macintyre	Committee member/chair SAIDIA USA
Gregory Lesikel	Committee member
Peter Lemoosa	Committee member
Maryanne Fitzgerald	Committee member
Fozia Mohamed	Committee member
Mary lengewa	Committee member
Francesca Wambui Lentukunye	Committee member
Merideth Preston	Committee member
Slyvana Ndarama	Committee member
Ivo Philipps	Committee member/treasurer SAIDIA UK
Sammy Lekula	Committee member
Joan Pitman	Committee member

4. **BANKERS**
   Standard Chartered Bank of Kenya Ltd – Nanyuki Branch

5. **AUDITORS**

   Muriithi Kingori & Associates have expressed their willingness to continue in office in accordance with the provisions of the Non-Governmental Organization's Coordination Act.

By order of board

SAMMY LENANYOKIE

Chairman

March 24, 2018

Statement of Directors Responsibility

The Non Governmental Organizations Coordination Act requires the board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the organization as at the end of the financial year and of its income & expenditure for that year. It is also requires the directors to ensure the organization keeps proper accounting records which disclose, with reasonable accuracy, the financial position of the organization. They are also responsible for safeguarding the assets of the Organization.

The directors accept responsibility for the annual statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with International Financial Reporting Standards and the requirements of the Non Governmental Organization's Coordination Act. The directors are of the opinion that the financial statements give a true and fair view of the financial affairs of the organization and of its Income & Expenditure. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the organization will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Organization's financial statements were approved by the Board on March 24, 2018 and signed on its behalf by:

SAMMY LENANYOKIE

- Chairman

Report of the Independent Auditors

TO SAMBURU AID IN AFRICA

We have audited the financial statements of Samburu Aid in Africa, set out on page 7 to 15 which comprise the statement of financial position as at 31st December 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the Organization's financial affairs as at 31st December 2017 and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

RESPECTIVE RESPONSIBILITIES OF THE MANAGEMENT AND THE INDEPENDENT AUDITORS.

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

AUDITORS' RESPONSBILITY

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with international standards on auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers the internal control relevant to the society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We belief that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

.

GOING CONCERN

The Organization's financial statements have been prepared using the going concern basis of accounting. The use of the concept is appropriate unless the management either to liquidate the Organization or to cease operations or has no realistic alternative but to do so. As part of our audit of financial statements we have concluded that the management use of going concern of accounting in the preparation of the Organization's financial statement is appropriate.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE.

The management and those charged with governance have confirmed to us the following matters.

- Acknowledgement of their full responsibility for the design, implementation and operation of internal controls to prevent and detect fraud and errors.
- The completeness of information provided to us regarding the result of their assessment of the risk and the financial statements may be materially misstated as a result of fraud.
- No guarantees given to third parties that require disclosure.
- There has been no subsequent events since the balance sheet date which could necessates the revision of the amounts included in the financial statements or inclusion of additional disclosures.

The engagement partner responsible for the audit resulting in the independent auditor's report is CPA Michael M Kingori P/N 1334

Muriithi Kingori & Associates

Muriithi Kingori & Associates,
Certified Public Accountants (K),
Nanyuki, Kenya.
March 24, 2018

Muriithi Kingori & Associates
Certified Public Accountants (K)
P. O. Box 1494-10400, NANYUKI.
TEL: 0712-397212
Date: 24/03/2018

SAMBURU AID IN AFRICA

STATEMENT OF FINANCIAL POSITION AS AT 31/12/2017

	Notes	2017 Kshs	2016 Kshs
Non current assets			
Property plant and equipment	2	4,931,938	5,369,563
Current Assets			
Cash at bank and in hand		517,964	45,673
Current liabilities			
Accounts payables		188,498	188,498
Net current assets		329,466	(142,825)
		5,261,405	5,226,738
Financed by:			
Capital Account	3	69,626	69,626
Fund account	4	5,191,779	5,157,112
		5,261,405	5,226,738

The accounts set out on pages 7 – 15 were approved by the board and authorized for issue and signed on its behalf at Nanyuki this March 24, 2018

SAMMY LENANYOKIE ....

Chairman

....

Treasurer

SAMBURU AID IN AFRICA

STATEMET OF COMPREHENSIVE INCOME FOR 2017

	Notes	2017 Kshs	2016 Kshs
Income	5	7,198,267	7,033,010
Expenditure			
Salaries and wages		2,930,336	4,306,017
Operating expenses	6	2,940,173	2,278,917
Administrative expense	7	1,258,267	1,264,934
Finance expense	8	34,824	33,140
Surplus/(deficit)		34,667	(849,999)

SAMBURU AID IN AFRICA

STATEMENT OF CASHFLOWS

	Kshs 2017	Kshs 2016
Cashflows from operations	34,667	(849,999)
Add Depreciation	485,374	551,724
	520,041	(298,274)
Changes in working capital		
Increase/(decrease) in accounts payble	-	50,000
Net cashflow from operations	520,041	(248,274)
Cash flow from investing activities		
Purchase of assets	(47,750)	-
Net increase in cashflow	472,291	(248,274)
Opening cash and cash equivalents	45,673	293,947
Net increase in cash and cash equivalents	472,291	(248,274)
Closing cash and cash equivalents	517,964	45,673

SAMBURU AID IN AFRICA

NOTES

1. Summary of significant accounting policies. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.
   1.1. Basis of preparation
   The financial statements have been prepared in accordance with and comply with Standards issued by the International Accounting Standards Board (IASB) of the International Federation of Accountants (IFAC), and interpretations issued by the Standing Interpretations Committee of the IASB. The financial statements have been prepared on the historical cost basis. The currency of accounting is Kenya shillings.
   1.2. Revenue recognition. Revenue consists of grants.
   1.3. Foreign Currency Translations: Transaction in foreign currency are converted into Kenya shillings at rates ruling at the transaction date. Assets and liabilities at the reporting date which are expressed in foreign currencies are translated into Kenya shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the profit and loss in the year in which they arise.
   1.4. Property, plant and equipment. All property plant and equipment are initially recorded at cost and thereafter state at historical cost less depreciation.
   Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Organization and the cost can be reliably measured. The carrying amount of the replaced part is derecognized. All other repairs and maintenances are charged to profit or loss during the financial period in which they are incurred.
   Depreciation has been calculated on the reducing balance method at rates estimated to write off the assets over their estimated useful lives or residual value over its estimated useful live using the following rates.

Motor Vehicles	20%
Office Equipment	10%
Buildings	5%

   The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.
   The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
   Gains and losses on disposal of property, plant and equipment determined by reference to their carrying amount and are taken into account in determining operating profit/ (loss).
   1.5. Inventories. Inventories are stated at the lower of cost and net realizable value. Cost is determined on direct purchase value and all costs attributable to bringing the inventory to its current location and condition and is stated on a First In First

out basis. Net realizable value is the estimate of the selling price in the ordinary course of business less selling expenses.

1.6. Cash and cash equivalents. For purposes of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

1.7. Financial Instruments

Financial assets

the Organization's financial assets which comprise trade and other receivables and cash and cash equivalents fall into the following categories.

1.7.1. Loans and receivables: financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the reporting date. All assets with maturities greater than 12 month after the reporting date are classified as non-current assets. Such assets are initially recognized at fair value and subsequently carried at amortized costs using the effective interest method. Changes in the carrying amount are recognized in profit or loss.

Purchases and sales of financial assets are recognized on the trade date i.e the date on which the Organization commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred substantially all risks and rewards of ownership.

The financial asset is impaired if its carrying amount is greater than it estimated recoverable amount. Impairment of financial asset is recognized in profit or loss under administrative expenses when there is objective evidence that the Organization will not be able to collect all amounts due per the original terms of the contract .Significant financial difficulties of the issuer, probability that the issuers will enter bankruptcy or financial reorganization, default in payments and a prolonged decline in fair value of the asset are considered indicators that the asset is impaired.

The amount of the impairment loss is calculated as the difference between the assets carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate.

Subsequent recoveries of amounts previous impaired are credited to profit or loss in the year in which they occur.

Financial liabilities

The Organization's financial liabilities which include trade and other payables, current tax and borrowings fall in this category.

Financial liabilities measured at amortized costs. These are initially measured at fair value and subsequently measured at amortized cost using the effective interest method.

Borrowings are initially recognized at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any differences between the proceeds (net of transaction costs) and redemption value is recognized as interest expense in profit or loss under fiancé costs.

All financial liabilities are derecognized when. and only when, the Organization's obligations are discharged, cancelled or expired.
Offsetting financial instruments –
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

1.8. Retirement benefit obligations. The Organization and its employees contribute to the National Social Security Fund (NSSF),a statutory defined contribution scheme registered under the NSSF act. The Organization's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

1.9. Employee entitlements. The estimated monetary liability for employees accrued annual leave entitlement at the reporting date is recognized as an expense accrual.

2.

Property Plant and Equipment Schedule 2017

	Buildings	Motor Vehicles	Office Equipment	Totals
Cost as at 1/1/2017	7,512,605	5,980,766	6,128,616	19,621,987
Additions	-	-	47,750	47,750
Disposals	-	-	-	-
	7,512,605	5,980,766	6,176,366	19,669,737
Depreciation				
Accumulated Depreciation	4,468,378	5,022,222	4,761,824	14,252,424
Depreciation	152,211	191,709	141,454	485,374
	4,620,590	5,213,931	4,903,278	14,737,799
Net Book Value 31/12/2017	2,892,015	766,835	1,273,088	4,931,938
Net Book Value 31/12/2016	3,044,227	958,544	1,366,792	5,369,563

3.

Capital Account	2017 Kshs	2016 Kshs
As at 1/1/2017 and 31/12/2017	69,626	69,626

4.

	2017 Kshs	2016 Kshs
Fund Account	5,157,112	6,007,110
Deficit for the year	34,667	(849,999)
	5,191,779	5,157,112

5.

Income

	2017 Kshs	*2016 Kshs*
APHIA PLUS Imarisha	985,708	1,336,982
AMREF	3,316,749	3,091,267
SAIDIA UK	2,895,809	1,222,528
Leggat Trust	-	167,235
Sale of motor vehicles	-	1,050,000
Miscellaneous	-	164,998
	7,198,266	7,033,010

6.

Operating expenses	*2017 Kshs*	*2016 Kshs*
Motor vehicle running	663,105	561,612
Telephones postage and stationery	41,202	131,837
Travelling subsistence and accomondation	97,700	598,054
Seeds	-	5,300
Economic strenthening livelihood	-	4,500
Rooster chicken	-	420,000
NHIF registration	18,000	-
Poutrly medicines/feeds	122,500	38,250
Protection(legal,child, social)	-	21,000
Echo Ethics development	60,000	-
CHW allowances	100,200	-
IGA support - hydroponic	109,210	-
School fees and other expenses	217,256	474,464
Swari Primary school desks	795,000	-
Trainings and seminars	-	23,900
Lesikani primary school	716,000	-
	2,940,173	2,278,917

7.

Administrative espenses	2017 Kshs	2016 Kshs
Work plan and budgeting	7,600	-
Monitoring and evaluation	53,100	5,600
Audit fees	95,000	150,800
Registration of births	8,650	10,150
Office expenses	97,628	29,039
office rent and services	319,860	253,850
Repairs and renewals	-	80,200
NGO bureau	2,000	2,000
Psychosocial care &support	90,000	19,300
Insurance	15,000	10,034
Medical and staff welfare	76,517	10,715
Depreciation	485,374	551,724
Electricity and water	7,538	141,522
	1,258,267	1,264,934

8.

	2017 Kshs	*2016 Kshs*
Bank charges	34,824	33,140

9 Risk management objectives and polices

Financial risk management

The Organization's activities expose it to a variety of financial risks: market (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Organization's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Organization's financial performance. Risk management is carried out by management. Management identifies, evaluates and hedges financial risks in close co-operation with various departmental heads.

9.1Credit risk – Credit risk arises from cash and cash equivalents and trade and other receivables. None of the financial assets that are fully performing has been renegotiated in the last year.

Exposure to this risk has been quantified in each financial asset note in the financial statements along with any concentration off risk

9.2Liquidity risk- Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding though adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Organization management maintains flexibility in funding by maintaining availability under committed credit lines.

7. The entity is registered as a NGO under the provision of the Non-Governmental Organization's Coordination Act and is domiciled in Kenya.